

HR STRATEGY FLEXIBILITY AS A BASIS FOR BUILDING ORGANISATIONAL RESILIENCE

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Purpose: To point out the necessity of flexibility of personnel strategy in building organizational resilience under the conditions of changes made in the overall strategy of the enterprise in the dimensions of progress and regression.

Design/methodology/approach: The study is based on a critical analysis of the literature on the subject and, due to the topicality of the subject matter, is a continuation of the research conducted by the author in the area of organisational functioning under conditions of change, including ways of coping with difficult situations, situations of uncertainty or, finally, changes in the context of building organisational resilience. A selection of articles from the Google Scholar database was chosen to establish the definitions of organisational resilience and flexibility within HR strategies. Additionally, the Scopus and WoS databases, previously used in the author's research, were consulted.

Findings: The considerations presented in this paper have shown, under the conditions of changes made to the company's capabilities in terms of progress/regression, resulting, among other things, from an unstable, uncertain environment, the application of an appropriate HR strategy will allow the organisation and employees to find their feet more quickly in the new situation.

Practical implications i Social implications: An effective mean of linking the functioning of the whole organisation and giving employees a sense of stability while facilitating the organisation's functioning under conditions of volatility is the use of appropriate functional strategies that are consistent with the change of progress or regression, including the HR strategy and its elements such as employment, working time, qualifications, training and the incentive system.

Originality/value: The study highlights the importance of flexibility of selected elements of HR strategy in building organisational resilience. Any change regarding the overall strategy in the dimension of progress or regression will require appropriate action at the level of human potential, i.e. an adequate HR strategy and consistent action in its individual elements such as employment, working time, training, qualifications or the incentive system.

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Category of the paper: Viewpoint, General review.

1. Introduction

The literature draws attention to two ways of understanding resilience - firstly as a quick, flexible finding of oneself in crisis (often surprising, unexpected) circumstances, adapting actions to current needs and possibilities, and secondly as the ability to take action and gradually return to normal functioning after such a situation has ended (Kisilowska-Szurmińska, 2022, p. 360). Resilience is therefore understood as an aggregated competence that is helpful in managing a crisis bringing together skills and qualities such as knowledge acquisition; attentiveness; strength of character; motivation and self-confidence; calmness; control of stress and emotions as well as courage and aspiration; inner strength to fight against adversity; ability to recover lost or weakened strengths, and resilience to harmful factors (Bugaj, Witek, 2022, p. 16). Resilience generally refers to the maintenance of positive adaptation during severe adversity (Sutcliffe and Vogus after: Siltaloppi, Laurila, Artto, 2022, p. 715), to an organisation's ability to cope with adversity (Ingram, 2023, p. 7) as the ability of the company to return to the state prior to occurrence of the stress factor (Majchrzak, 2020, p. 35) and to the ability and innate motivation of human beings to resist, circumvent and transform unexpected events and adversarial situations that threaten their self-realisation (Richardson, after: Siltaloppi, Laurila, Artto, 2022, p. 715). Organisational resilience is potentially useful for illuminating the ability of human beings to sustain their agendas under several successive measures of organisational control. At the organisational level, the concept of resilience has been used to describe an organisation's ability to absorb stresses and maintain or improve performance in the face of adversity (Kahn et al. after: Siltaloppi, Laurila, Artto, 2022, p. 718), or finally as a positive adaptation to an unexpected adverse situation (Ingram, Bratnicka-Mysliwiec, 2019, p. 186). The literature on the subject has proposed a holistic framework to assess resilience management practices and grouped them into the following eleven categories (Zapłata, Wisniewski, 2022, p. 417):

- cooperation,
- planning,
- procedures,
- training,
- infrastructure,
- communication,
- corporate governance,
- learning,
- understanding the situation (awareness),
- resources,
- assessment.

Resilience, defined as the ability to rapidly and effectively adapt to crisis situations, necessitates modifications to the overall strategy (in all dimensions mentioned in subsection 5). Such changes require targeted efforts for human resources management, including a well-rounded personnel strategy and uniform actions across all components. If the company's overarching strategy is adjusted to the changes in the environment, then there ought to be a swift response in the personnel policy. This involves employment, working time, qualifications, training and the incentive system.

The purpose of this article is to point out the specific role of HR strategy flexibility and its elements in building organisational resilience, as 'an organisation's capacity for resilience can be developed through a human capital management strategy (Douglas, 2021, p. 2).

2. Functional flexibility of the organisation

Theory and practice point to the characteristics of companies that are successful in the market. Among the characteristics of companies that stand out are their innovation, customer orientation, creation of new markets and flexibility (Majchrzak, 2020, p. 33). 'Viewing an organisation in terms of the functions it performs, it can be assumed that partial flexibilities will have the dimension of individual functions, e.g. procurement, production/provision of services, distribution, or management functions, e.g. flexibility of planning, organising, control. With this arrangement, flexibility can refer to individual functional areas of companies, including production flexibility, financial flexibility, personnel flexibility' (Januszkiewicz, 2018, p. 41). Functional flexibility therefore represents the ability to make multidimensional changes (i.e. the progress/regression dimension, the defensive/offensive dimension, the strategic/operational dimension) in market and marketing, technical and production, human, organisational, economic and financial potential as a result of changes that have occurred, are occurring or are about to occur both in the organisation's environment and in the organisation itself (Bujak, Puszko-Machowczyk, 2011, p. 146). The article focuses on changes in the human potential plane, and in particular on selected elements of HR strategy such as: employment, working time, training, incentive system. As far as qualifications are concerned, this article does not take them into account. This is because they constitute a set of learning outcomes, compliant with established standards, the achievement of which has been formally confirmed by an authorised institution (Juchnowicz, 2014, p. 15)¹.

¹ Qualifications are closely linked to an occupation; one often speaks of professional qualifications. Thus, an occupation is 'a set of tasks (a set of activities) distinguished as a result of the social division of labour, performed permanently or with minor changes, requiring relevant qualifications, acquired as a result of training or practice'. The public register that collects information about all qualifications included in the Integrated System of Qualifications (ISQ), independently of other existing registers and inventories in Poland created for the needs of individual ministries, industries, environments and institutions, is the Integrated Register of Qualifications (IRQ). This register was established in 2016 under the Act of 22 December 2015 on the Integrated System of Qualifications.

3. Personnel strategy versus overall strategy

In the literature, authors define the concept of a company's HR strategy in different ways. Often synonyms are used, such as: HR strategy, HR management strategy, personnel strategy, human capital management strategy or social potential development strategy. HR strategy belongs alongside with e.g. marketing, financial, production, investment and research and development strategies to one of the functional strategies. Functional strategies are closely linked to the overall strategy. Hence, the formulation of each functional strategy should be in line with the overall strategy (also known as the general or global strategy) of the company. Thus, e.g. in formulating the company's objectives and the means of achieving them, the general objectives are a guideline for defining the objectives of the company's financial or investment activities. In the literature on the subject you can also find a statement that 'the different types of strategy (including general strategy and functional strategy) overlap or complement each other' (Rostowski, 2003, p. 9). Researchers tend to recognise that there is a relationship between these strategies and 'the relationship between HR strategy and organisational strategy is of a feedback nature' (Stalewski, & Chlebicka, 1997, p. 31). In the literature on the subject you can find relationships between overall strategy and HR strategy. The possible relationships between overall strategy and HR strategy are presented in a simplified way in figure 1.

Thus, in the first case, there is no link between these strategies. The second approach shows the greater importance of human resources in the organisation, but the HR strategy is subordinated to the overall strategy of the company (reactive approach). The third relationship consists in 'two-way communication and some agreement' between the strategies (Ludwiczynski, Stobinska, 2001, pp. 73-74). The next relationship presented shows a strong link between strategies. The human potential of the organisation is recognised in this case. Overall strategy and HR strategy develop together (interactive approach); people are recognised as a key element in building competitive advantage rather than as a 'tool' for implementing the organisation's strategy. In the latter case, HR strategy occurs at the forefront of the organisation. Here, people are a factor in gaining competitive advantage, setting the directions for the resolution of overall strategic objectives (active approach).

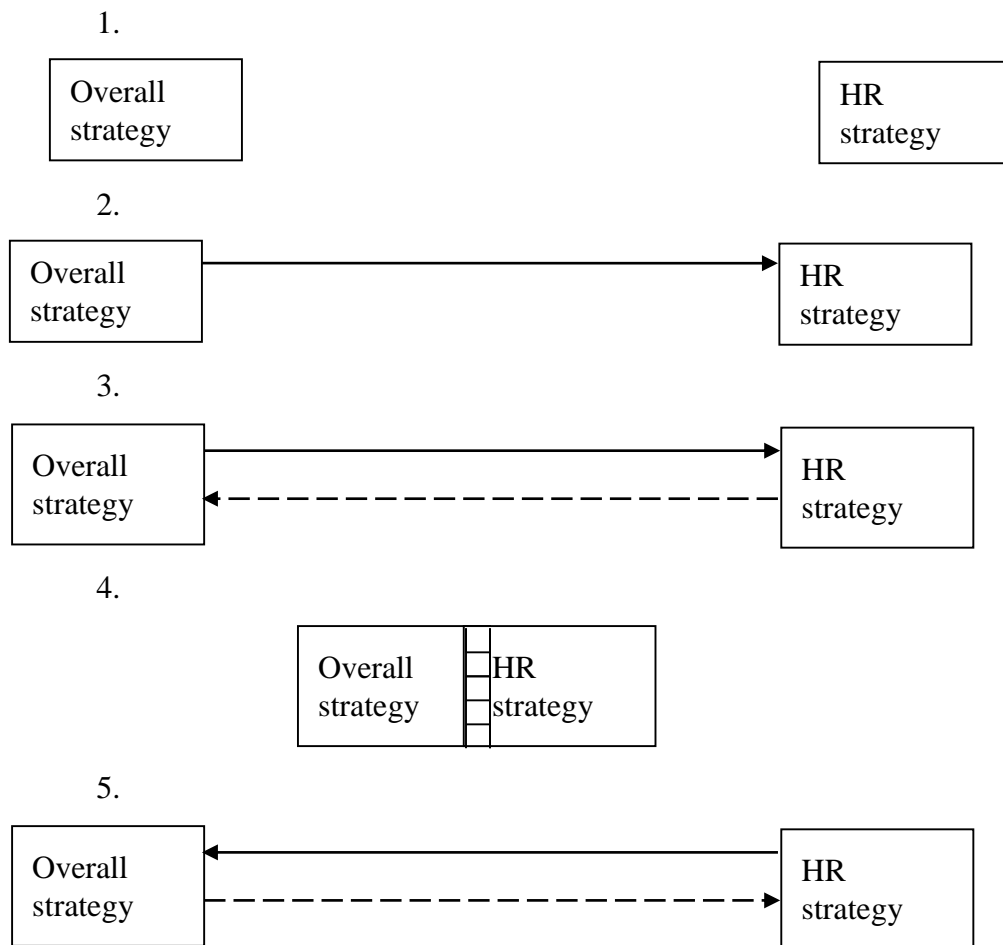


Figure 1. Relationships between overall strategy and HR strategy.

Source: compiled based on: Ludwiczynski, 2001, p. 73; Kołodziej, 2019, p. 29.

4. Types of HR strategy

There are many types of HR strategy in the literature on the subject. Thus, e.g. due to the relationship to the market, a following distinction has been made:

1. offensive strategies, drawing on the external labour market,
2. defensive, focusing on the in-house market (Lipka, 2007, p. 21).

The offensive strategy applies to companies that are characterised by high growth rates, require their employees to be creative, innovative and accept risk. Employees are evaluated for the results they achieve; an emphasis on long-term development is also characteristic (Juchnowicz, 2014, pp. 13-14). On the other hand, a defensive strategy is found in companies that focus on quantifiable, quantitative results, which are the basis for employee evaluation (Juchnowicz, 2014, pp. 13-14).

In the concepts of research on HR strategies, there are also bipartite (two-dimensional) types of HR strategies, consisting in the use of a set of pairs of different strategies to characterise the

actions taken towards employees. Thus, a following distinction has been made (Dabrowicz, 2010, p. 128; Tyranska, 2009, p. 357):

1. self-selection (rotation) - the aim is to maximise the use of human resources with minimal involvement of the employer in the personnel management process,
2. autonomisation - implies the optimal use of human resources by creating conditions for the freedom of action and self-development of personnel,
3. transaction - the aim is to maximise the use of human resources with strong involvement of the employer in the personnel management process,
4. transformation - the optimal use of human resources is based on the development of employee potential, but expectations of attitudes of loyalty and strict adherence to imposed and sharply enforced rules of the organisational game prevail.

As far as HR strategies are concerned, out of the rich typology found in the literature on the subject, the following have been taken into account in this discussion (Krupski, 2003, p. 274):

1. quantitative strategy - looking at human resources mainly from a cost perspective,
2. qualitative strategy - aiming to achieve an optimal result by motivating employees appropriately.

On the other hand, applying the criterion of the utilisation degree of the diversity of human resources makes it possible to distinguish:

1. a strategy geared to reducing the degree of diversity in order to avoid increased expenditure on staff management,
2. a strategy to match the degree of diversity of the workforce with the structure of the customers, in line with the demand that the interior of the organisation should reflect the type and complexity of the environment,
3. a strategy geared to increasing the degree of diversity, with the aim of broadening the network of contacts contributed by each employee (Lipka, 2007, p. 21).

A division of HR strategies by the criterion of the approach to employee retention often appears in the literature on the subject. This criterion makes it possible to distinguish between an 'entry' oriented strategy, a development and activation strategy and an 'exit' oriented strategy (Krupski, 2003, p. 310).

In addition, the following forms of exit oriented strategies are distinguished:

1. *outplacement* - refers to redundancies (departures) of employees accompanied by measures taken by the organisation to assist the departing employees (counselling, retraining, looking for a new job, etc.),
2. *downsizing* - refers to the downsizing of a company and the reduction of its workforce, accompanied by a set of activities aimed at improving the functioning of the company, e.g. by changing working methods, organisational structure, the way it communicates, etc,

3. *employee leasing* - consists in temporarily - usually up to 6 months - lending (making available) a company's employees to another organisation, while maintaining the employment relationship with the existing employer,
4. *lay off workers* - means temporarily laying off workers, i.e. until the possibility of re-employment arises (Krupski, 2003, p. 310; Lipka, 2007, p. 21).

5. Flexibility of human potential factors in building organisational resilience

Distinctive features of flexibility can include changes made to the company's potential in the following dimensions:

1. progress/regression,
2. offensive/defensive,
3. strategy/operation (Bujak, Puszko-Machowczyk, 2011, pp. 346-347).

The first category of business potential, i.e. the progress/regress dimension, relates to the issue of organisational development. It includes quantitative and qualitative changes of a progressive and regressive nature. Quantitative changes are related to differences in the magnitude of one or more parameters. Qualitative changes, on the other hand, indicate new properties, reactions or behaviours of a distinguished system. A progressive change is a change resulting in an increase in the quantitative and qualitative potential of an organisation regarding an existing or a new concept of business operation at a given time. A regressive change is a change that causes a decrease (reduction) in the quantitative-qualitative potential of a company's previous concept of business operation at a given time. It leads to the depletion or even disappearance of some of its elements. The article considers the changes occurring in the progress and regress dimensions. The second dimension called the offensive/defensive dimension is related to the organisation's ability to control, and includes defensive and offensive changes. The strategic/operational dimension, on the other hand, is related to the depth and stability of the changes made. It includes strategic changes and operational changes.

Table 1 attempts to juxtapose changes in the progress or regression dimension with the corresponding HR strategies.

Table 1.

Changes in the dimension of progress or regression and the corresponding HR strategies

DIMENSION OF CHANGE/GENERAL STRATEGY	CHANGES IN THE DIMENSION OF PROGRESS (E.G. DEVELOPMENT STRATEGY)	CHANGES IN THE REGRESSIVE DIMENSION (E.G. COST REDUCTION STRATEGY)
EXEMPLARY HR STRATEGIES	OFFENSIVE STRATEGY QUANTITATIVE AND QUALITATIVE STRATEGY ENTRY ORIENTED STRATEGY	DEFENSIVE STRATEGY QUANTITATIVE AND QUALITATIVE STRATEGY EXIT ORIENTED STRATEGY
Employment	increase in level of employment through recruitment	reduction in level of employment through derecruitment, outplacement, downsizing
Working time	increasing working time through the design of working time systems	narrowing working time by development of working time systems
Training:	an increase in funding so-called "hard" training, an increase in the number of training courses for employees	a decrease in the increase in financial expenditure on so-called "hard" training, a reduction in the number of such training courses, the dominance of so-called "soft" training courses
Incentive system	increased motivation through increased investment in motivation, increasing the number and types of motivators, - aggressive incentive system	maintenance or small decrease in motivation by reducing investment in motivation, reducing the number and types of motivators - equivalent incentive system

Source: own elaboration.

Thus, in the case of change in the dimension of progress, an example of an overall strategy that can be implemented in a company might be a growth strategy. Change in this case will be about increasing the quantitative and qualitative potential of the organisation. Hence, the most suitable HR strategies here will be, for example, an offensive strategy geared towards continuous growth or a mixed quantitative-qualitative strategy aiming at increasing the quality of employee competence. The application of an entry oriented strategy in the case of the progress dimension seems to be appropriate, since competitive advantage is gained by increasing the number of employees (Krupski, 2003, p. 310; Lipka, 2007, p. 21).

In the plane of HR management, employment, working time, training and the incentive system, among others, can be shaped. Depending on the HR strategy pursued, these elements will also require consistent actions.

The progress dimension will be related to the need to increase the level of employment, through external recruitment, i.e. drawing on the external labour market. In a dynamically developing organisation, there will be an increase in employment and a demand for employees with highly qualitative competences. Therefore, there will be an increase in substantive training for employees (so-called 'hard' training). Working hours will be extended by appropriately shaping working time systems and employee leave management (e.g. by postponing holidays). The most appropriate incentive system may turn out to be an aggressive remuneration system, characterised by a high share of movable remuneration and a large pay differential (Borkowska, 2021, pp. 51-53).

On the other hand, under the conditions of changes made to the company's potential in the dimensions of regression, an example of a general strategy that can be implemented in a company will be, for example, a cost reduction strategy. Change in this case will be about increasing the quantitative and qualitative potential of the organisation. Hence, the most suitable HR strategies to be implemented here will be e.g. a defensive strategy, aiming to minimise the scope of influence of the environment in order to maintain relative stability (Karaszewska, 2010, p. 129), or a mixed quantitative-qualitative strategy oriented mainly towards staffing. An exit oriented strategy will be related to not keeping employees in the organisation (Krupski, 2003, p. 310; Lipka, 2007, p. 21).

The regression dimension will be related to the need to reduce the level of employment, through forms of exit oriented strategy such as derecruitment, outplacement or downsizing. There will be a narrowing of working hours in a cost-reducing organisation. The number of substantive training courses for employees will tend to decrease. However, there may be an increase in financial expenditure on so-called 'soft' training (associated with, e.g. coping with situation of derecruitment). Working time will be reduced through appropriate shaping of the working time system. The most appropriate incentive system may turn out to be an equivalent remuneration system in which a fixed salary predominates.

6. Summary

It follows from the above considerations that an important factor in building organisational resilience is an HR strategy that is appropriately aligned with changes in the company's potential in the progress/regression dimensions. This relationship is also driven by the need for coherence between overall strategy and HR strategy. A flexible HR strategy will be a factor supporting the proper building of organisational resilience.

Moreover, it also seems important to pay attention to the flexibility of selected elements of HR strategy in building organisational resilience. Any change in the dimension of progress or regression (but also of the other dimensions) will require appropriate action at the level of human potential, i.e. an adequate HR strategy and consistent action in its individual elements such as employment, working time, training, qualifications or the incentive system.

The analysis indicates that:

- the dimensions of progress and regression necessitate the implementation of suitable personnel strategies and actions across various elements such as employment, working hours, training, qualifications, and incentives,
- the dimension of progress is associated with the need to elevate employment levels through external recruitment, particularly within a dynamically evolving organisation,
- therefore, employees will receive more substantive training,

- working hours will also increase,
- an aggressive remuneration system will be implemented, featuring a large portion of variable pay and a substantial wage gap,
- the regression dimension necessitates a reduction in staff numbers,
- within a cost-cutting organisation, there will be a decrease in working hours, and the number of substantive training courses for employees will exhibit a downward trend,
- conversely, soft skills training will increase,
- while staff working hours will be decreased, an equitable compensation system will be implemented, in which fixed salaries will be primarily utilised.

Further research on using flexible personnel strategies to enhance organizational resilience should concentrate on changes made in defensive/offensive and strategic/operational dimensions within market/marketing, technical/production, human, organizational, and economic/financial domains.

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